

Catawba County Board of Commissioners
Regular Session, April 6, 2009, 9:30 a.m.

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The Catawba County Board of Commissioners met in regular session on Monday, April 6, 2009 at 9:30 a.m. in the 1924 Courthouse, Robert E. Hibbitts Meeting Room, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn Lail and Commissioners Dan Hunsucker, Glenn Barger and Barbara G. Beatty.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, Assistant County Manager Dewey Harris, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Chair Katherine W. Barnes called the meeting to order at 9:30 a.m.
2. Commissioner Dan Hunsucker led the Pledge of Allegiance to the Flag.
3. Vice-Chair Lynn M. Lail offered the invocation.
4. Commissioner Dan Hunsucker made a motion to approve the minutes of the Regular and Closed Session Meetings of March 16, 2009. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed everyone present and acknowledged Sheriff Huffman's presence at the meeting for an item on the agenda.
6. Public Comments for Items not on the Agenda: None.
7. Presentations:
 - a. Vice-Chair Lail presented YMCA of Catawba Valley President Phil DiCasolo with a proclamation recognizing the 40th anniversary of the YMCA of Catawba Valley and commending the organization for its commitment to the citizens of Catawba County and surrounding areas with goals to meet the needs of its own community, be everyone's YMCA and serve as many people and needs as possible.
 - b. Commissioner Glenn Barger presented Child Protective Services Supervisor Pam Brooks and Children's Protection Council Board Member Phil DiCasolo with a proclamation declaring April as Child Abuse Prevention Month, to recognize that the majority of child abuse cases stem from stressful situations and conditions that are preventable in an engaged, supportive community and to urge citizens, community agencies, faith groups, medical facilities and business to provide this support for families.
 - c. Commissioner Hunsucker presented Public Health Director Doug Urland with a proclamation declaring April as Public Health Month, to recognize 129 years of public health service to the residents of North Carolina and the efforts of public health departments to control and eliminate infectious diseases, improve environmental sanitation and promote healthy lifestyle practices, which have resulted in improved health status and increased life expectancy for North Carolina residents.
8. Public Hearing:

Finance Director Rodney Miller came forward and requested the Board hold a public hearing and consider approving the installment purchase financing for school projects that were approved in mid-2008 and had mostly begun, including renovations and additions to four high schools and improvements at Catawba Valley Community College (CVCC). In its fiscal year (FY) 2008-09 budget, the Board approved various school and community college improvements as part of the second year of a four-year construction cycle. These projects were approved by the Board in mid 2008 and are currently underway. The financing of these projects was delayed due to pending federal legislation

that afforded the County a less expensive method of financing the school projects. By delaying the financing until May 2009, \$921,669 in interest costs will be saved over the life of the loan.

In July 2008, the Board approved a renovation at Hickory High School in the amount of \$6.7 million and, in September 2008, approved expansion and improvement projects at Fred T. Foard and St. Stephens High Schools, totaling \$5 million. In addition, \$2,011,000 remained to be financed in fiscal year 2008-2009 for a project at Bunker Hill High School to provide funding needed after bids for the Bunker Hill project exceeded amounts budgeted last year. Further, a new student center and truck driver training facility at CVCC are planned for the second year of the four-year funding cycle. Estimated costs are \$3 million for the Student Center and \$1.5 million for the truck driver training facility. All but the CVCC projects are underway, and financing needs to be secured to begin repaying the debt. The total amount to be financed for all projects is approximately \$18 million.

Staff intentionally delayed financing these projects late last year, as local governments were advised that the new Federal Administration was proposing favorable changes to the tax code. Under the new American Recovery and Reinvestment Tax Act of 2009, the bank-qualified debt limit was increased from \$10 million to \$30 million for 2009 and 2010, which gives the County a less expensive method of financing with a lower interest rate, reducing financing costs associated with underwriters, financial advisors, rating agencies and extensive legal work with bond attorneys. With these provisions available, the County is seeking a fifteen year term, which will maximize the interest savings on this project and allow the County to retire the debt as quickly as possible. It is anticipated that more than \$921,000 in interest costs will be saved over the life of the loan.

The County has financed school construction projects over the last several years through financing described under North Carolina General Statute 160A-20. This type of financing pledges the asset acquired or constructed as collateral for the loan, in case of default. Since the County does not own the land and buildings upon which the improvements will be made, the property must be conveyed to the County in order for the County to borrow the funds. The County will to use Fred T. Foard High School as collateral for the all the projects. The County will lease the school and land back to the Catawba County Board of Education for its unlimited use, and at the end of the financing term, transfer all rights to the property back to the school system. All local governments in North Carolina that borrow funds greater than \$500,000 and for a term longer than five years to maturity must receive approval by the Local Government Commission (LGC), a division of the NC Department of State Treasurer. The LGC will consider this project on May 5, 2009.

Chair Barnes opened the public hearing and noted it had been duly advertised. No one came forward to speak for or against this financing.

Vice-Chair Lail stressed that all the projects that were to be financed had been previously approved by the Board and no new projects were being considered by the Board under this item on the agenda. Chair Barnes also stressed the money saved by waiting for this financing and thanked Mr. Miller for his efforts to get this advantageous rate.

Commissioner Barger made a motion to approve the proposed financing, adopt a resolution accepting Bank of America's 3.72% interest rate, direct staff to seek approval from the Local Government Commission for this financing and authorize the execution of all necessary documents for this transaction. The motion carried unanimously.

The following resolutions apply:

RESOLUTION ACCEPTING THE PROPOSAL OF BANK OF AMERICA IN CONNECTION WITH AN INSTALLMENT FINANCING FOR THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF VARIOUS PUBLIC SCHOOL FACILITIES AND COMMUNITY COLLEGE IMPROVEMENTS.

WHEREAS, the County of Catawba, North Carolina (the "County") intends to enter into an installment financing agreement pursuant to Section 160A-20 of the General Statutes of North Carolina for the purpose of providing funds, together with any other available funds, to pay the costs

of (a) acquiring, constructing, improving, expanding and equipping various public school facilities in County, including, without limitation, renovations and additions to Bunker Hill High School, Fred T. Foard High School, St. Stephens High School, and Hickory High School, and (b) renovations and improvements at Catawba Valley Community College (collectively, the "Project"); and

WHEREAS, the County has solicited proposals from various financial institutions to provide the financing for such improvements; and

WHEREAS, upon careful review and consideration of the proposals submitted by banks to provide such financing, the County desires to accept the proposal of Bank of America (the "Lender");

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Catawba, North Carolina (the "County") as follows:

1. The proposal of the Lender to provide financing through an installment financing agreement in the principal amount not to exceed of \$18,000,000 for the purpose of providing funds to pay the costs of the Project and associated financing costs is hereby accepted, subject to further approval of the particular documentation related thereto by the Board.
2. The County Manager and the Finance Director of the County are each hereby authorized and directed to execute and deliver such documentation as may be necessary to accept the proposal of the Lender.
3. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Glenn E. Barger, the foregoing resolution was adopted by the following vote:

Ayes: Unanimous.

Thereupon, Chair Katherine W. Barnes introduced the following resolution the title of which was read and copies of which had been distributed to each Commissioner:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE FINANCING OF THE ACQUISITION, CONSTRUCTION, RENOVATION AND EQUIPPING OF VARIOUS PUBLIC SCHOOL FACILITIES AND COMMUNITY COLLEGE IMPROVEMENTS BY THE COUNTY PURSUANT TO AN INSTALLMENT FINANCING AGREEMENT, REQUESTING THE LOCAL GOVERNMENT COMMISSION TO APPROVE THE FINANCING ARRANGEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT AND DEED OF TRUST, A CONSTRUCTION AND ACQUISITION AGREEMENT, A LEASE AGREEMENT AND RELATED DOCUMENTS IN CONNECTION WITH SUCH INSTALLMENT FINANCING FOR PUBLIC SCHOOL AND COMMUNITY COLLEGE IMPROVEMENTS

BE IT RESOLVED by the Board of Commissioners (the "Board") for the County of Catawba, North Carolina (the "County") as follows:

Section 1. The Board does hereby find and determine as follows:

(a) There exists in the County a need to acquire, construct, renovate and equip certain public school facilities and community college improvements in the County.

(b) After due consideration, the County has determined to enter into an installment financing agreement (the "Agreement") in the aggregate principal amount of \$18,000,000 to pay, together with other available funds, the costs of (a) acquiring, constructing, improving, expanding and equipping

various public school facilities in County, including, without limitation, renovations and additions to Bunker Hill High School, Fred T. Foard High School, St. Stephens High School and Hickory High School, and (b) renovations and improvements at Catawba Valley Community College (collectively, the "Project").

(c) The County will enter into the Agreement with Bank of America (the "Lender"), pursuant to which the Lender will advance to the County amounts sufficient to pay the costs of financing the Project and relating financing expenses, and the County will repay the advancement in installments, with interest (the "Installment Payments").

(d) In order to secure its obligations under the Agreement, the County will execute and deliver a deed of trust (the "Deed of Trust"), granting a lien on certain property where a portion of the Project is located, together with all improvements and fixtures located or to be located thereon.

(e) In order for the County to enter into the plan of finance, certain property where a portion of the Project is located will be conveyed by the Board of Education of the County of Catawba, North Carolina.

(f) In order to facilitate the construction of the Project, the County will enter into a Construction and Acquisition Agreement (the "Construction Agreement") with the Boards of Education of the County of Catawba, North Carolina providing for the supervision of construction of the Project by the Boards.

(g) The Mortgaged Property will be leased back to the Boards of Education of the County of Catawba, North Carolina pursuant to a Lease Agreement (the "Lease Agreement") between the County and the Boards of Education of the County of Catawba, North Carolina, which Lease Agreement will be subordinate to the lien created by the Deed of Trust.

(h) It is in the best interest of the County to enter into the Agreement and the Deed of Trust in that such transaction will result in providing financing for such Project in an efficient and cost effective manner.

(i) Entering into the Agreement is preferable to a general obligation bond and revenue bond issue in that (i) the County does not have the constitutional authority to issue non-voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution because the County has not retired a sufficient amount of debt in the preceding fiscal year to issue a sufficient amount of general obligation bonds for the Project without an election; (ii) the size of the financing does not allow for the issuance of revenue bonds in as economical a manner as entering into the Agreement; (iii) the cost of the Project exceeds the amount to be prudently provided from currently available appropriations and unappropriated fund balances; (iv) the circumstances existing require that funds be available to commence construction of the Project as soon as practicable and the time required for holding an election for the issuance of voted general obligation bonds pursuant to Article V, Section 4 of the North Carolina Constitution and the Local Government Bond Act will delay the commencement of construction of the Project by several months; and (v) there can be no assurances that the Project will be approved by the voters and the necessity of such Project dictates that the Project be financed by a method that assures that such Project will be constructed in an expedient manner.

(j) It has been determined by the Board that the cost of financing the Project through an installment financing agreement is reasonably comparable to the costs of issuing general obligation bonds or other available methods of financing and is acceptable to the Board.

(k) Counsel to the County will render an opinion to the effect that the proposed undertaking as described above is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of the State of North Carolina.

(l) The debt management policies of the County have been carried out in strict compliance with law, and the County is not in default under any obligation for repayment of borrowed money.

(m) Any tax rate increase necessary to pay future Installment Payments will be reasonable and not excessive.

Section 2. The Board hereby authorizes, ratifies and approves the filing of an application with the Local Government Commission and requests the Local Government Commission approve the Agreement and the proposed financing in connection therewith.

Section 3. The Board hereby approves the Agreement and Deed of Trust, the Construction and Acquisition Agreement and the Lease Agreement and authorizes the Chairman or the Vice Chairman of the Board or the County Manager of the County to execute and deliver on behalf of the County each of said documents, with such execution to be conclusive evidence of approval by the Board. The Clerk or any Deputy or Assistant Clerk to the Board is hereby directed to affix the official seal of the County to each of said documents and to attest the same.

Section 4. No deficiency judgment may be rendered against the County and any action for breach of any contractual obligation under the Agreement or Deed of Trust and the taxing power of the County is not, and may not be pledged directly or indirectly to secure any monies due under the Agreement or Deed of Trust.

Section 5. All officers, agents and employees of the County are authorized to execute and deliver such certificates, opinions and other items as shall be necessary to consummate the transactions described above.

Section 6. This resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Glenn E. Barger, the foregoing resolution was adopted by the following vote:

Ayes: Unanimous.

9. Appointments.

Commissioner Dan Hunsucker recommended the Board appoint Dr. Sharon Monday for a first term in the vacant Veterinarian category on the Public Health Board and Dr. David Kulesia for an unexpired term in the Optometrist category on this Board to replace Dr. Kerry Reeves who resigned. Dr. Monday's term will expire June 30, 2012 and Dr. Kulesia's term will expire June 30, 2011. Commissioner Hunsucker also recommended the Board reappoint Dianne Hickmon (General Public) for a 4th term, Dr. Robert Right (Dentist) for a 2nd term and Jay Schwartz (General Public) for a 2nd term on this Board. These reappointments will expire June 20, 2012.

These recommendations came in the form of a motion and the motion carried unanimously.

10. Consent Agenda:

a. A request for Board approval of the submission of a joint grant application with the City of Hickory for the 2009 Justice Assistance Grant (JAG). Catawba County's share of the grant funds are expected to be \$67,495 with no local match required. JAG funding allocation is based on population and violent crime statistics. These funds must be used to assist local efforts to prevent or reduce crime and violence with an emphasis on job creation and job retention.

The Sheriff's Office has an eight-year plan to add deputies each year, but projected budget shortfalls of Fiscal Year 2009-10 may not support the addition of staff, and one deputy position was lost due to the funding shortfall. By using the JAG funding to fund one deputy position, the Sheriff's Office would increase its presence on road patrol and improve emergency response time. JAG funding will cover salary, benefits, equipment, and fuel in Fiscal Year 2009-10 only. The position will be included in the annual budget request in subsequent years, unless other grant funding is secured.

b. A request for the Board to allocate \$20,000 in Duke Energy Loan Pool (HELP) funds from the North Carolina Housing Finance Agency. Organizations in this program may access funds for energy-efficiency measures associated with the rehabilitation of homes of Duke Energy customers.

HELP funds must be used with funds from other resources such as Community Development Block Grants, HOME or Single Family Rehabilitation grants. HELP members that can show the capacity to adequately manage HELP-related activities may reserve up to \$10,000 in HELP funds for up to 180 days, on behalf of each eligible homeowner. To be eligible for HELP funds, occupants must have an income of 80% or less of the area median income and be approved to receive assistance under the other housing rehabilitation project with which HELP assistance is paired. Up to 10% of the HELP funds used for labor & materials for rehabilitation on each home may compensate the member for other costs such as contract management and inspections. The maximum amount of HELP funds available to any borrower or housing unit cannot exceed either \$7500 if the work includes either the purchase and installation of an energy-efficient electric heat pump only or other energy-efficiency measures necessary to meet other HELP Energy Efficiency Standards, or \$10,000 if the work includes both heat pump installation and other eligible energy-efficiency measures.

The County is completing a 2006 Scattered Site Housing Grant. Due to unforeseen problems with a recent rehabilitation, a well had to be dug and septic tank installed unexpectedly after it was thought the work was completed. This caused the budget to fall short to complete the last two houses. The County will use \$10,000 in HELP funds toward each of the last two houses to help offset the cost to complete the projects. The last two rehabilitations are under contract to Duke Energy customers. The following ordinance applies:

ORDINANCE# _____

**NORTH CAROLINA HOUSING FINANCE AGENCY ROJECT BUDGET ORDINANCE
FOR THE (HELP) HOME ENERGY LOAN POOL**

Be it ordained by the County Commissioners of Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

Section 1. The project authorized is the (HELP) Home Energy Loan Pool between this unit and the North Carolina Housing Finance Agency.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the North Carolina Housing Finance Agency, and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this (HELP) project:

<u>Revenues</u>	
(HELP) Home Energy Loan Pool	\$20,000

Section 4. The following amounts are appropriated for the project:

<u>Expenditures</u>	
Rehabilitation	\$19,866
Recording fees	<u>\$ 134</u>
	\$20,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and federal and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to this Board.

Section 9. Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this the 6th day of April, 2009.

c. A request for the Board to approve revisions to the Catawba County Work First Electing Plan for the 2010-2011 biennium, originally approved by the Board on October 20, 2008 and then submitted to the State. In 1996, Congress ended the national welfare program known as AFDC (Aid to Families with Dependent Children) and crafted legislation to allow states to implement their own welfare programs. Congress enabled the North Carolina General Assembly to go even further with welfare reform, and the legislature took the next step by allowing counties to compete for "Electing County" status, which offers a limited number of counties the opportunity to have greater control over local welfare policies and available funding. On September 2, 2008, the Board voted to pursue "Electing County" status and appointed a committee to assist in the development of the County's Work First Plan.

On February 20, 2009, Catawba County Social Services Director John Eller received a letter from the State on revisions needed to Catawba County's proposed Work First Electing Plan. These revisions included additions of words or phrases to further clarify the plan and a correction to eligibility criteria to not include Social Security payments when calculating income.

d. A request for the Board to approve two tax refund requests totaling \$6522.95. Records have been checked and these refunds verified; therefore, the Tax Collector is asking for approval of the refund requests. Under North Carolina General Statute 105-381, a taxpayer who has paid taxes may request a refund in writing for an amount that was paid through error.

Chair Barnes asked if any Commissioner wished for an item or items to be removed from the consent agenda and considered individually. None were requested. Commissioner Barbara Beatty made a motion to approve the consent agenda. The motion carried unanimously.

11. Departmental Reports:

A. Planning, Parks and Development:

1. Michael Poston, Planner, came forward to request the Board adopt a resolution recommending the North Carolina Department of Transportation (NCDOT) abandon the maintenance for 0.05 miles of Portion Road (State Road 1778). This road abandonment request had been made by the property owner. Under North Carolina General Statute 136-63, the Board may on its own motion or on petition of a group of citizens, request that NCDOT change or abandon any road in the secondary system when the best interest of the people of the County will be served. G.S. 136-63 also states that when the road is within an extraterritorial jurisdiction area, the municipality may keep open and assume responsibility for maintenance of a road within one mile of its corporate limits, once it is abandoned from the State highway system. This road is located within the extraterritorial jurisdiction of the City of Conover. The City of Conover has stated the closure would have no adverse impact to the City's street network or operations, and it does not object to the request.

Commissioner Barger clarified that this was only a recommendation by the Board and that the final say on roads – to build, abandon, to pave or to maintain – was up to the State Department of Transportation. He indicated he felt it was sending a mixed message to the citizens that the County had any power in these actions – to build, abandon, pave or maintain – when the NCDOT asked for these resolutions from the Board of Commissioners when it was ultimately that Department's call and decision on these matters. The Board clarified that no property owner

would be adversely affected by this abandonment. Vice-Chair Lail made a motion to adopt the following resolution. The motion unanimously carried.

RESOLUTION #2009 -
REQUESTING THE CLOSING OF A PORTION OF
PORTION ROAD (SR 1778)

WHEREAS, Phillip and Patrice Marrow petitioned the North Carolina Department of Transportation (NCDOT) to abandon a portion of Secondary Road #1778, known locally as Portion Road, from the State maintenance system. The portion being described as approximately five one-hundredths of a mile of roadway beginning as it intersects with the Marrow property and ending at the terminus of the road right-of-way.

WHEREAS, NCDOT has submitted to the Catawba County Board of Commissioners a request for a review and recommendation for the road abandonment; and

WHEREAS, staff has reviewed the request and has determined that no property owners would be deprived of ingress or regress;

WHEREAS, the road segment is within the City of Conover's extraterritorial jurisdiction;

WHEREAS, staff from the City of Conover has reviewed the request and has determined that the request would have no adverse impact to the City's street network or operations;

THEREFORE BE IT RESOLVED THAT the Catawba County Board of Commissioners has reviewed this request and recommends to the North Carolina Board of Transportation for the abandonment of the last five hundredths of a mile of SR1778, known locally as Portion Road.

Upon motion made by Commissioner Lynn Lail, the above resolution was unanimously adopted by the Board of Commissioners of Catawba County on the 6th day of April, 2009.

2. Michael Poston, Planner, presented a request for the Board to adopt a resolution recommending NCDOT abandon maintenance for an unnamed 0.10 mile portion of State Road 1778, located off 27th Street Drive, NE in Hickory. The road abandonment request had been made by the property owner and no property owners would be deprived of ingress or egress. This action is pursuant to North Carolina General Statute 136-63, as outlined above. This road is located within the extraterritorial jurisdiction of the City of Hickory. The City of Hickory has stated that the request posed no issues for the City. Commissioner Barger made a motion to adopt the following resolution. The motion carried unanimously.

RESOLUTION #2009 -
REQUESTING THE CLOSING OF
AN UNNAMED ROAD (SR 2268)

WHEREAS, Charles Van Horn petitioned the North Carolina Department of Transportation (NCDOT) to abandon Secondary Road #2268, an Unnamed Road, from the State maintenance system. The portion being described as approximately one-tenth of a mile of roadway and being the entirety of the right-of-way.

WHEREAS, NCDOT has submitted to the Catawba County Board of Commissioners a request for a review and recommendation for the road abandonment; and

WHEREAS, staff has reviewed the request and has determined that no property owners would be deprived of ingress or regress;

WHEREAS, the road segment is within the City of Hickory's extraterritorial jurisdiction;

WHEREAS, staff from the City of Hickory has reviewed the request and has determined that the request does not pose any issues for the City;

THEREFORE BE IT RESOLVED THAT the Catawba County Board of Commissioners has reviewed this request and recommends to the North Carolina Board of Transportation for the abandonment of one tenth of a mile of SR2268, an Unnamed Road;

Upon motion made by Commissioner Barger, the above resolution was unanimously adopted by the Board of Commissioners of Catawba County on the 6th day of April, 2009.

B. Emergency Services/Animal Control:

Emergency Services Director David Weldon presented a request to award a contract for a feasibility study to determine the best means for expansion of the Catawba County Animal Shelter, by studying a renovation and addition to the current location or new construction at an alternate location, to Daggett & Grigg Architects.

The current Animal Services facility is over 20 years old and designed to safely house 78 animals. The current daily average census at the shelter is 200 animals. Animal shelters are highly specialized buildings designed to support sheltered animals in the healthiest possible environment. Modern shelters are designed and built with more sanitation in mind than the shelters of the past. The focus of Animal Services is to assure the placement of every adoptable animal. To accomplish this objective, staff must have the ability to control disease and treat animals as needed, to assure they are healthy and are suitable for adoption or returned to their owners. The current shelter was not designed to accommodate those needs. Sufficient space to hold animals also increases adoption rates. The time recommended nationally to hold an animal to assure maximum potential for adoption is 8 to 10 days. The current space only allows the County to hold adoptable animals for an average of 3 to 5 days. Space for existing staff and storage supplies and equipment is also inadequate. Because of overcrowding at the shelter, the State could possibly require an expansion.

The County's Capital Improvement Plan for Fiscal Year 2013-2014 includes funding for new animal shelter space. Due to pressing need for additional space, staff is requesting a feasibility study be conducted to determine whether renovations and additions to the current facility could be completed in phases and provide additional space prior to 2013-2014.

Chair Barnes stated that while she acknowledged something had to be done regarding the animal shelter due to capacity issues, she would prefer that local firms were investigated and reviewed rather than going ahead at this time with an out-of-state firm. She pointed out that travel expenses could drastically increase costs and there would be a significant advantage to having a local firm handling the study and/or the construction. She also said she felt strongly about giving jobs to local businesses. Chair Barnes and Commissioner Hunsucker said they had both received calls from citizens regarding going to the expense of a feasibility study and the possibility of using existing buildings which staff explained would be difficult due to unique drainage and noise abatement requirements for a shelter. Commissioner Barger questioned how many of these animals were taken by the Humane Society and was advised that last year only 15 animals were taken by that agency and they were facing the same capacity issues as the shelter. Because of the questions regarding utilizing a local firm and wanting to give citizens a chance to speak regarding this issue, Commission Beatty made a motion to table this item and place it on a future agenda for an evening Board of Commissioners meeting. Staff was directed to research local firms to conduct this study prior to the Board making a determination on awarding this contract. The motion carried unanimously.

C. Human Resources:

Karen Haines, Human Resources Director, presented the Board with a recommendation that the Board approve amendments to Sections 28-1, 28-116, 28-154, 28-167 and 28-205 of the Personnel Code by granting the County Manager authority to declare budget required furlough days and to adjust employee pay and benefits in reaction to the continued slowing economy and to enhance flexibility to match service demand.

While the County's conservative approach to budgeting has positioned it well to weather the downturn in the economy, the decline in projected revenues makes it necessary to consider other means for reducing expenditures. Staff needs to have a variety of options that can be implemented quickly so that they are poised to react to continued further decline or stagnation of economic conditions.

Section 28-116 of the Personnel Code states that accumulated annual leave must be exhausted before an employee may be placed in a leave without pay status. However, to afford the County Manager flexibility in addressing personnel costs, it is requested that authority be granted to the Manager to declare furlough days with all County employees subject to the furlough, regardless of their leave balance.

These furloughs could occur in two different forms. One form could be as a rolling furlough in which Departments schedule employees for a furlough day within a given timeframe. Because the Departments would be creating their own furlough schedules, the impact on staffing levels should be minimized.

A second method for implementing the furlough could be as an unpaid holiday. Section 28-205 of the Personnel Code lists 11 paid holidays as a benefit to employees. If the County Manager declares a furlough day on one of these holidays, employees would not be paid for the holiday. Additionally, Section 28-205 states that employees who are prevented from taking regularly scheduled holidays because of their work schedule shall be granted a floating holiday. In order to make a declared furlough truly effective in lowering costs, those employees who work on holidays (i.e. Communications Center and Sheriff's Office) would be paid for all hours worked, but would not receive a floating holiday. Similarly, if an unpaid holiday is declared, employees who work in Emergency Medical Services will not receive compensation for that holiday. If the County Manager declares an additional unpaid holiday not already listed in Section 28-205, employee pay will be treated as previously outlined.

Exceptions for an employee not taking a furlough day could be granted by the County Manager under emergency circumstances.

An additional approach that allows flexibility in addressing our personnel costs is to grant authority to the County Manager to reduce an employee's position along with a corresponding reduction in pay and benefits to less than full time. This would include categories of employment beyond traditional 4/5's, 1/2 and hourly employees and would be an exception to Section 28-154 of the Personnel Code. The County Manager would have the authority to approve any kind of schedule that meets the County's needs such as 90%, 60%, etc. The employee's benefits contribution would be in accordance with the employee's salary. Contrastingly, the County Manager would also be able to increase the hours within a given position up to full time to meet any increasing demands for service or to achieve staffing levels in critical needs areas of the County workforce. Currently, Section 28-1 defines reduction in force (RIF) as the abolishment of, or reduction of all or some portion of a position. Staff recommends that a RIF now be defined as the abolishment of a position based on the needs of the organization, workload and availability of funding. Correspondingly, staff recommends that Section 28-167 define RIF as outlined above. The flexibility contemplated by these exceptions will poise staff to react quickly to changing economic or service circumstances.

Commissioner Barger made a motion to approve these amendments. The motion carried unanimously. The following ordinance applies:

ORDINANCE 2009-04

BE IT ORDAINED that the Catawba County Code of Ordinances, Chapter 28, Personnel, Article 1 In General, Section 28-1 Definitions; Article IV Wage and Salary Administration, Section 28-116 Leave without Pay; Article V Employment Compensation and Employee Performance, Section 28-154 Employment

Categories and Section 28-167 Reduction in Force; and Article VI Employee Benefits and Services, Section 28-205 Holidays are hereby amended as follows:

Sec. 28-1. Definitions.

~~Reduction in force means the abolishment of or reduction of all or some portion of a position based on needs of the organization, workload, and availability of funding.~~

Reduction in force means the abolishment of a position based on the needs of the organization, workload, and availability of funding.

Sec. 28-116. Leave without pay.

(a) *[Qualifications.]* The decision to grant leave without pay is solely in the discretion of the department head. Factors to be considered are necessity, duration of leave, workload, and other factors in the best interest of the county. Leave without pay may be granted to employees who have exhausted other forms of leave and do not qualify for leave under the Family and Medical Leave Act of 1993.

(b) *Leave without pay procedures.*

- (1) The request for leave without pay must be made in writing in a timely fashion prior to the anticipated date.
- (2) Accumulated annual leave must be exhausted before leave without pay may be granted.
- (3) Accumulated sick leave must be exhausted before leave without pay may be granted in cases of illness where disability is not a factor.
- (4) No floating holidays, annual or sick leave shall be earned during a period of leave without pay.
- (5) An employee on leave without pay status shall be eligible for any continuation of allowable benefits by continuing to pay the employee's share of the cost and the employer's share if applicable and by making all employee and employer costs for such benefits as they become due.
- (6) When circumstances arise or when conditions exist which cause a need to fill a position left vacant due to leave without pay, the employee in leave without pay status shall be notified of the need to fill the position and given an opportunity to return to the position within one week of such notice. If the employee on leave without pay status does not return within that week, the position shall become vacant.
- (7) Failure on the part of the employee to report promptly at the expiration of the leave without pay, except for reasons submitted in advance to and approved by the department head, shall be considered a voluntary resignation.

(c) ~~Exception to Leave without pay qualifications and pay procedures.~~

~~To afford the County Manager flexibility in addressing personnel costs, the Manager may declare furlough days with all County employees subject to the furlough, regardless of their leave balance. These furloughs may be declared by the Manager as:~~

- ~~(1) A rolling furlough in which Departments schedule employees for a furlough day within a given timeframe. Because the Departments would be creating their own furlough schedules, the impact on staffing levels would be minimized.~~
- ~~(2) Declaring a furlough day on one of the paid holidays which are listed as a benefit to employees in Section 28-205 of the Personnel Code. Employees would not be paid for the holiday.~~
- ~~(3) Declaring an additional **unpaid** holiday not listed in Section 28-205.~~

(Ord. No. 2003-19, 10-6-2003)

Sec. 28-154. Employment categories.

All county employees are hired in one of the following categories:

(1) *Salaried employees.* Salaried employees are those employees who are entitled to all rights and benefits as set out in this chapter. Such employees are further categorized as follows:

- (a) *Full-time employee.* An employee who is employed on a continuous, year-round basis and who is regularly scheduled to work at least 40 hours per week.
- (b) *Four-fifths time employee.* An employee who is employed on a continuous, year-round basis and who is regularly scheduled to work 32 hours per week.
- (c) *Half-time employee.* A half-time employee is an employee who is employed on a continuous, year-round basis and who is scheduled to work 20 hours per week.
- (d) *Other employee.* Another employee is an employee who is hired to work a different schedule but whose scheduled hours do not fall within the recognized categories set forth in subsections (1)(b) and (c) of this section.
- (e) *The County Manager has the authority to approve a different schedule that meets the County's needs such as 90%, 60%, etc. The employee's benefits contribution would be in accordance with the employee's salary. Contrastingly, the County Manager would also be able to increase the hours within a given position to meet demands for service or to achieve staffing levels in the County workforce.*

(2) *Part-time employees.* Part time employees are those who serve at the will of the department head and are hired to work on an hourly basis. A part-time employee has only the benefits conferred by federal and state law, except where the county has exclusive jurisdiction.

(Ord. No. 2003-19, 10-6-2003)

Sec. 28-167. Reduction in force.

(a) If a reduction in force becomes necessary for the county, either for lack of funds, revenues or lack of available work, the following procedures shall be followed:

- (1) Consideration of organizational needs of the county and the affected department.
- (2) A determination shall be made about which position ~~or portion of a position~~ the department can best do without.
- (3) If there is more than one position in a department that could be abolished, the value of an individual's performance to the department shall be considered.
- (4) All other considerations set forth herein being equal, length of service shall be considered, but shall not be the controlling consideration.
- (5) No permanent employee shall be separated while there are part-time, temporary or probationary employees serving in the same class within the same department, unless the permanent employee is not willing to transfer or reassign, or unless the permanent employee does not have the knowledge or skills required to perform the work of the alternate position within the same class within a reasonable period of orientation or training such that would be given to a new employee.
- (6) Employees shall be given at least three weeks' written notice of a reduction in force.
- (7) A permanent employee who is separated due to a reduction in force shall have the right to appeal in accordance with the grievance procedure, to ensure that reduction-in-force procedures were followed. Permanent employees under the department of human resources shall have a further right to appeal to the office of administrative hearings.

(b) Reduction in force criteria must be approved by the county manager before implementing the reduction in force.

(Ord. No. 2003-19, 10-6-2003)

Sec. 28-205. Holidays.

The county provides 11 paid holidays as a benefit to its employees.

(a) *Paid holidays observed.* The following paid holidays and such others as the board of commissioners may designate shall be observed by county offices:

- (1) New Year's Day.
- (2) Martin Luther King, Jr.'s birthday.
- (3) Good Friday.
- (4) Memorial Day.
- (5) Independence Day.
- (6) Labor Day.
- (7) Thanksgiving Day and Thanksgiving Friday.
- (8) Christmas Day, according to the following schedule:

TABLE INSET:

When Christmas Falls On:	County Employee's Observe:	These Days:
Sunday	December 22, 23 and 26	Thursday, Friday, Monday
Monday	December 25, 26 and 27	Monday, Tuesday, Wednesday
Tuesday	December 24, 25 and 26	Monday, Tuesday, Wednesday
Wednesday	December 24, 25 and 26	Tuesday, Wednesday, Thursday
Thursday	December 24, 25 and 26	Wednesday, Thursday, Friday
Friday	December 24, 25 and 28	Thursday, Friday, Monday
Saturday	December 23, 24 and 27	Thursday, Friday, Monday

All salaried employees occupying officially budgeted positions with benefits shall receive these holidays with pay providing the employee is on active pay status the scheduled working day before and the scheduled working day after the holiday period. If an employee is retiring, and the day after is the first day of retirement, the retiring employee will be paid the holiday.

Employees working on an observed holiday will be paid hours worked, plus eight hours holiday pay, unless the employee is receiving floating holiday time.

Permanent employees working less than 40 hours per week receive pay for holidays on a pro-rata basis.

(1) Unpaid holiday exception: The County Manager has the authority to declare an unpaid holiday as part of a budget required furlough.

(b) *Observance of weekend holidays.* If a holiday falls on Saturday, the holiday will be observed on Friday. If the holiday falls on Sunday, the following Monday will be observed as the holiday. If in the discretion of the county manager, the county's best interest will be served by observing the holiday otherwise, an announcement will be made at the beginning of the calendar year.

(c) *Other faith-based holidays.* Employees may wish to be away from work on certain days for faith-based observances. Department heads should attempt to arrange the work schedule so that an employee may be granted annual leave when it is requested because the day is a faith-based observance for that employee. Annual leave should be denied only when granting such leave would adversely affect services.

(d) *Floating holidays.* Floating holidays may be granted as follows:

(1) Employees who have work schedules that prevent them from taking regularly scheduled holidays are provided 11 holidays on an hour-for-hour basis annually at the beginning of the fiscal year. Holiday time will be prorated for employees whose employment begins after the first of the fiscal year or who separate before the end of the fiscal year.

(a) If an unpaid holiday is declared, an employee will be compensated for all hours worked on the holiday but would not receive a floating holiday.

(2) Department heads shall designate those employees to whom floating holidays shall apply. The department head is responsible for notifying personnel department which employees will receive floating holidays.

(3) Requests to take floating holidays shall be pre-approved in the sole discretion of the department head.

(4) Law enforcement employees and communication center employees are provided 88 holiday hours annually, which are designated at the beginning of the fiscal year. Holiday time will be prorated for employees whose employment begins after the first of the fiscal year or who separate before the end of the fiscal year. **If an unpaid holiday is declared as part of a budget required furlough, law enforcement and communication center employees will not receive compensation for that holiday.**

(5) Employees with floating holidays who separate from employment with the county will be paid for any unused portion of prorated holiday time. If an employee has used more holiday time than the prorated amount, then the employee's final paycheck will be reduced proportionately.

(6) All unused floating holiday hours shall automatically transfer to sick leave at the end of the fiscal year.

(e) *Emergency medical services holidays.* Employees who are required to work 12-hour shifts shall receive compensation for 88 hours of holiday time at straight time irrespective of whether the employee actually worked the holiday. Compensation will be paid in the pay period in which the holiday time occurs. Holiday time will not be paid in advance and is subject to all deductions from salary and wages. **If an unpaid holiday is declared as part of a budget required furlough, employees who work in EMS will not receive compensation for that holiday.**

(Ord. No. 2003-19, 10-6-2003; Ord. No. 2005-04, 3-21-2005)

This the 6th day of April, 2008.

12. Other Items of Business:

Barry Edwards, Director of Utilities and Engineering, came forward to request the Board The Board adopted a resolution that would allow the County to apply for a grant from the North Carolina Green Business Fund to help cover construction costs associated with a Feedstock Crushing Facility, needed to produce oils from seeds required in the production of biodiesel fuels, that will be located at the Regional EcoComplex and Resource Recovery Facility's Biodiesel Production Facility. Due to a short lead time on this grant application, this item had to be added to the agenda at the last minute. Commissioner Hunsucker made a motion to adopt the following resolution. The motion carried unanimously.

**Catawba County
Resolution of Award
For**

**Catawba County Regional EcoComplex & Resource Recovery Facility's Feedstock Crushing Facility
North Carolina Green Business Fund Grant**

Resolution No. 2009-_____

WHEREAS, Catawba County is applying for a grant from the North Carolina Green Business Fund to help cover construction costs associated with the Feedstock Crushing Facility being located at the Regional EcoComplex and Resource Recovery Facility's Biodiesel Production Facility,

NOW, THEREFORE BE IT RESOLVED BY THE CATAWBA COUNTY BOARD OF COMMISSIONERS:

That the Director of Utilities and Engineering, Barry B. Edwards, and successors so titled, is hereby authorized to execute and file an application on behalf of Catawba county for a grant to aid in the construction of the project.

That the Director of Utilities and Engineering, Barry B. Edwards, and successors so titled, is hereby authorized and directed to furnish such information that may be requested in connection with such application or the project: to make assurances as contained above; and to execute such other documents as may be required in connection with the application and grant award.

That Catawba County has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this is the 6th day of April 2009 at Catawba County, North Carolina.

13. Attorneys' Report:

County Attorney Debra Bechtel requested the Board adopt a Red Flags Rule policy required by the Federal Trade Commission, with a goal of identifying and preventing identity theft. The Federal rules require that every entity which meets the definition of "creditor" and has "covered accounts" establish a program by May 1, 2009 tailored to its size, complexity and nature of operation.

Vice-Chair Lail made a motion to adopt the Identity Theft Red Flags Policy. The motion carried unanimously. The following is the adopted policy:

CATAWBA COUNTY
IDENTITY THEFT RED FLAGS POLICY

I. PROGRAM ADOPTION

Catawba County's Identity Theft Prevention Program ("Program") was developed to comply with the Federal Trade Commission's Red Flags Rule ("Rule"), which implements Section 114 of the Fair and Accurate Credit Transactions Act of 2003. 16 C. F. R. § 681.2. As required by the rules, the Program was developed with oversight and approval of the Board of County Commissioners.

II. PROGRAM PURPOSE AND DEFINITIONS

A. Fulfilling requirements of the Red Flags Rule

Under the Red Flag Rule, every financial institution and creditor is required to establish an "Identity Theft Prevention Program" tailored to its size, complexity and the nature of its operation. Each program must contain reasonable policies and procedures to:

1. Identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program;
2. Detect Red Flags that have been incorporated into the Program;
3. Respond appropriately to any Red Flags that are detected to prevent and mitigate Identity Theft; and
4. Ensure the Program is updated periodically, to reflect changes in risks to customers or to the safety and soundness of the creditor from Identity Theft.

B. Red Flags Rule definitions used in this Program

The Red Flags Rule defines "Identity Theft" as "fraud committed using the identifying information of another person" and a "Red Flag" as a pattern, practice, or specific activity that indicates the possible existence of Identity Theft.

According to the Rule, a local government utility is a creditor subject to the Rule requirements. The Rule defines creditors "to include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunications companies. Where non-profit and government entities defer payment for goods or services, they, too, are to be considered creditors."

Catawba County building inspection and landfill accounts are covered by the Rule, If other County accounts are determined to be "covered" they will be included under this policy as well. Under the Rule, a "covered account" is:

1. Any account the County offers or maintains primarily for personal, family or household purposes, that involves multiple payments or transactions; and
2. Any other account the County offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the County from Identity Theft.

“Identifying information” is defined under the Rule as “any name or number that may be used, alone or in conjunction with any other information, to identify a specific person,” including: name, address, telephone number, social security number, date of birth, government issued driver’s license or identification number, alien registration number, government passport number, employer or taxpayer identification number, unique electronic identification number, computer’s Internet Protocol address, or routing code.

III. IDENTIFICATION OF RED FLAGS.

In order to identify relevant Red Flags, the County considers the types of accounts that it offers and maintains, the methods it provides to open its accounts, the methods it provides to access its accounts, and its previous experiences with Identity Theft. The County identifies the following red flags, in each of the listed categories:

A. Notifications and Warnings From Credit Reporting Agencies

Red Flags

1. Report of fraud accompanying a credit report;
2. Notice or report from a credit agency of a credit freeze on a customer or applicant;
3. Notice or report from a credit agency or an active duty alert for an applicant; and
4. Indication from a credit report of activity that is inconsistent with a customer’s usual pattern or activity.

Any other account the County offers or maintains for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the County from Identity Theft.

B. Suspicious Documents

Red Flags

1. Identification document or card that appears to be forged, altered or inauthentic;
2. Identification document or card on which a person’s photograph or physical description is not consistent with the person presenting the document;
3. Other document with information that is not consistent with existing customer information (such as if a person’s signature on a check appears forged); and
4. An application that appears to have been altered or forged.

C. Suspicious Personal Identifying Information

Red Flags

1. Identifying information presented that is inconsistent with other information the customer provides (example: inconsistent birth dates);
2. Identifying information presented that is inconsistent with other sources of information (for instance, an address not matching an address on a credit report);
3. Identifying information presented that is the same as information shown on other applications that were found to be fraudulent;
4. Identifying information presented that is consistent with fraudulent activity (such as an invalid phone number or fictitious billing address);
5. Social security number presented that is the same as one given by another customer;
6. An address or phone number presented that is the same as that of another person;
7. A person fails to provide complete personal identifying information on an application when reminded to do so (however, by law social security numbers must not be required); and
8. A person’s identifying information is not consistent with the information that is on file for the customer.

D. Suspicious Account Activity or Unusual Use of Account

Red Flags

1. Change of address for an account followed by a request to change the account holder's name;
2. Payments stop on an otherwise consistently up-to-date account;
3. Account used in a way that is not consistent with prior use (example: very high activity);
4. Mail sent to the account holder is repeatedly returned as undeliverable;
5. Notice to the County that a customer is not receiving mail sent by the County;
6. Notice to the County that an account has unauthorized activity;
7. Breach in the County's computer system security; and
8. Unauthorized access to or use of customer account information.

E. Alerts from Others

Red Flag

Notice to the County from a customer, identity theft victim, law enforcement or other person that it has opened or is maintaining a fraudulent account for a person engaged in Identity Theft.

IV. DETECTING RED FLAGS.

A. New Accounts

In order to detect any of the Red Flags identified above associated with the opening of a **new account**, County personnel will take the following steps to obtain and verify the identity of the person opening the account:

Detect

1. Require certain identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other photo ID;
2. Verify the customer's identity (for instance, review a driver's license or other identification card);
3. Review documentation showing the existence of a business entity; and
4. Independently contact the customer.

B. Existing Accounts

In order to detect any of the Red Flags identified above for an **existing account**, County personnel will take the following steps to monitor transactions with an account:

Detect

1. Verify the identification of customers if they request information (in person, via telephone, via facsimile, via email);
2. Verify the validity of requests to change billing addresses; and
3. Verify changes in banking information given for billing and payment purposes.

V. PREVENTING AND MITIGATING IDENTITY THEFT

In the event County personnel detect any identified Red Flags, such personnel shall take one or more of the following steps, depending on the degree of risk posed by the Red Flag; as well as taking into account confidentiality laws related to certain information.

A. Prevent and Mitigate

1. Continue to monitor an account for evidence of Identity Theft;
2. Contact the customer;
3. Change any passwords or other security devices that permit access to accounts;

4. Not open a new account;
5. Close an existing account;
6. Reopen an account with a new number;
7. Notify the Finance Director for determination of the appropriate step(s) to take;
8. Notify law enforcement; or
9. Determine that no response is warranted under the particular circumstances.

B. Protect customer identifying information

In order to further prevent the likelihood of identity theft occurring with respect to County accounts, the County will take the following steps with respect to its internal operating procedures to protect customer identifying information:

1. Ensure that its website is secure or provide clear notice that the website is not secure;
2. Ensure complete and secure destruction of paper documents and computer files containing customer information;
3. Ensure that office computers are password protected and that computer screens lock after a set period of time;
4. Keep offices clear of papers containing customer information;
5. Request only the last 4 digits of social security numbers (if any);
6. Ensure computer virus protection is up to date; and
7. Require and keep only the kinds of customer information as is necessary for the purpose of the account.

VI. PROGRAM UPDATES

This Program will be periodically reviewed and updated to reflect changes in risks to customers and the soundness of the County from Identity Theft. At least annually, the Finance Director will consider the County's experiences with Identity Theft situation, changes in Identity Theft methods, changes in Identity Theft detection and prevention methods, changes in types of accounts the County maintains and changes in the County's business arrangements with other entities. After considering these factors, the Finance Director will determine whether changes to the Program, including the listing of Red Flags, are warranted. If warranted, the Finance Director will update the Program or present the Board of County Commissioners with his or her recommended changes and the Board of County Commissioners will make a determination of whether to accept, modify or reject those changes to the Program.

VII. PROGRAM ADMINISTRATION.

A. Oversight

Responsibility for developing, implementing and updating this Program lies with a Finance Director appointed by the County Manager. The Finance Director will be responsible for the Program administration, for ensuring appropriate training of County staff on the Program, for reviewing any staff reports regarding the detection of Red Flags and the steps for preventing and mitigating Identity Theft, determining which steps of prevention and mitigation should be taken in particular circumstances and considering periodic changes to the Program.

B. Staff Training and Reports

County staff responsible for implementing the Program shall be trained either by or under the direction of the Finance Director in the detection of Red Flags, and the responsive steps to be taken when a Red Flag is detected.

C. Service Provider Arrangements

In the event the County engages a service provider to perform an activity in connection with one or more accounts, the County will take the following steps to ensure the service provider performs its activity in

accordance with reasonable policies and procedures designed to detect, prevent, and mitigate the risk of Identity Theft.

1. Require, by contract, that service providers have such policies and procedures in place; and
2. Require, by contract, that service providers review the County's Program and report any Red Flags to the Finance Director.

D. Specific Program Elements and Confidentiality

For the effectiveness of Identity Theft prevention Programs, the Red Flag Rule envisions a degree of confidentiality regarding the County's specific practices relating to Identity Theft detection, prevention and mitigation. Therefore, under this Program, knowledge of such specific practices is to be limited to the Finance Director and those employees who need to know them for purposes of preventing Identity Theft. Because this Program is to be adopted by a public body and thus publicly available, it would be counterproductive to list these specific practices here. Therefore, only the Program's general red flag detection, implementation and prevention practices are listed in this document.

Adopted this _____ day of _____, 2009.

14. **Manager's Report:**
County Manager J. Thomas Lundy then requested the Board to consider moving into closed session pursuant to North Carolina General Statute 143.318.11(a)(4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body. He did not anticipate action upon return to open session. Vice-Chair Lail made a motion to move into closed session at 10:50 a.m. The motion carried unanimously.
14. **Adjournment:** The Board returned to open session at 11:18 a.m. No action was taken by the Board. Commissioner Hunsucker made a motion to adjourn at 11:18 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Board of Commissioners

Barbara E. Morris, County Clerk